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03/13/2008 11:26 AM

To Paul Peronard/EPR/R8/USEPA/US@EPA, Bill  
Murray/EPR/R8/USEPA/US@EPA, Carol  
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cc

bcc

Subject Fw: DailyInterLake: Grace funds would go to future cleanup

Hi All,

Here's today's version. I went from first page above the fold yesterday, to first page below the fold today (I'd prefer to be buried in the classified ads!). I think they got it more or less right today.

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— Forwarded by Ted Linnert/OCP/R8/USEPA/US on 03/13/2008 10:40 AM —

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03/13/2008 07:50 AM

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Subject DailyInterLake: Grace funds would go to future cleanup



## Grace funds would go to future cleanup

By LYNNETTE HINTZE/Daily Inter Lake

New details emerged Wednesday about W.R. Grace & Co.'s proposed \$250 million settlement for Libby asbestos cleanup, including immediate plans to put \$11 million into an operation and maintenance fund that can't be tapped until 2017.

U.S. Environmental Protection Agency officials met with Lincoln County commissioners to answer questions in the wake of the Justice Department's announcement Tuesday that Grace had agreed to the

largest-ever payment to the Superfund program.

The deal requires Bankruptcy Court approval after a 30-day comment period.

"It's our intention to spend most of the money on future cleanup work, site-specific investigations, operations and maintenance," said Ted Linnert, the EPA's community involvement coordinator for Libby.

He said the Justice Department's press release was misleading when it stated that Grace would reimburse the federal government for cleanup costs in Libby.

The money actually will be placed in a special account within the Superfund to finance future cleanup work.

The interest-bearing operation and maintenance fund would grow to around \$30 million by 2017, Linnert said. That money would remain untouched until the official record of decision — a legal document identifying the final site assessment and nature of remedy — is issued for Libby, but no one knows exactly when that will occur.

Andrew Ames of the Department of Justice said the Superfund law requires states to pay for operation and maintenance. Putting the \$11 million into a separate account will guarantee that the state's burden is reduced by that amount plus the interest, he said.

The remaining \$239 million will be placed in a second special account to pay for future costs until the work is finished, at which time it will revert to the general Superfund, Ames said.

EPA officials assured the commissioners all \$250 million would be protected and reserved for Libby cleanup, including the operation and maintenance fund.

The EPA has been removing asbestos-contaminated soil and other materials in the Libby area since May 2000. Evidence of widespread asbestos contamination from Grace's vermiculite mine at Libby came to light in November 1999.

To date, \$163 million has been spent on cleanup in the Libby area.

Paul Peronard, EPA's Libby project leader, told The Associated Press that cleanups have been completed at 954 properties and 450 remain on a cleanup list. Still unresolved is what to do about some 700 properties that are in the Libby area and are contaminated but do not meet asbestos-removal criteria.

Grace's settlement money cannot be used for health care to treat people with asbestos disease, but can be used for future site-specific investigations such as scientific studies to support baseline risk assessment. It will include the Troy area.

Grace has a separate agreement to cover cleanup at the mine site, Linnert said.

"None of the \$250 million will be spent on the mine," he said.

EPA on-site remedial project manager Mike Cirian said samples are being taken of tree bark in forest land surrounding the mine to determine asbestos contamination. Runoff into Rainy Creek also is being studied.

Katherine LeCours of the state Department of Environmental Quality told the commissioners that an analytical data summary report detailing contaminated properties in the Troy area should be released next month. A mass mailing will be sent to Troy residents, and a public information meeting about asbestos cleanup is planned at 7 p.m. April 29 at the Troy Senior Citizen Center.

Outdoor asbestos cleanup in Libby is expected to resume April 7 but depends on weather.

It's unknown yet how the settlement, once approved, would affect the pace of cleanup. EPA officials expect it to accelerate, but several factors must be considered, such as dust control and the potential

for "bottle-necking" trucks on Rainy Creek Road leading to the disposal site.

Public comment on the Grace settlement is crucial, the commissioners agreed.

The Libby Technical Advisory Group will meet at 7 p.m. March 18 at the Libby campus of Flathead Valley Community College to talk about the proposed settlement and public comment. Residents may bring comments to the meeting, or can submit their own comments in writing. An address for submitting comments will be forthcoming, officials said.

In separate legal proceedings, Grace has until April 14 to file a petition with the U.S. Supreme Court asking for review of a 9th U.S. Circuit Court of Appeals decision about evidence in a criminal case, according to The Associated Press.

A 2005 indictment charged Grace and seven of its former managers with conspiring to hide health risks associated with the Libby mine.

Grace has denied any criminal wrongdoing. One of the indicted managers, Alan Stringer, died of cancer last year. His wife, Donna, said the death was not related to asbestos.

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